No Rivals: The Gospel (Part III)

How Founders Fund mastered the art of provocation and rebooted Silicon Valley's intellectual operating system.

MARIO GABRIELE

JUN 26, 2025 • PAID

114 8 15 Share

"Deep thinking on what makes businesses and firms great." — Proby S, a paying member

Illustration by Edmon de Haro

Friends,

Founders Fund is not just a venture capital firm. It is a narrative agent with a gospel to spread.

Through *Zero to One,* the Thiel Fellowship, and provocative soft power initiatives, Founders Fund exerts a unique influence in Silicon Valley. More than any other actor, it is responsible for venture capital's contemporary deep tech fervor and nationalistic tenor.

In Part III of "No Rivals," we discuss Founders Fund's polarizing gospel and how it has impacted its investing practice.

If you haven't read Parts I or II yet, you can find them both here:

1. Part I: The Prophet
2. Part II: The Disciples

By a growing margin, the *No Rivals* series has quickly become the most popular work The Generalist has ever published. Here is what others have said:

- *"IMHO, this isn't just a profile. It's a saga of power, risk, and reinvention at the highest levels of tech investing. A good start for a Netflix series."*
- *"It was truly a magnum opus. The prose and the fund* 👏👏*"*
- *"Please turn this into a book!"*
- *"Fantastic weekend read on the origins and inner workings of the enigmas: Peter Thiel & Founders Fund"*

We spent 18 months pulling together this 35,000-word series. That's the approximate equivalent of a 150-175 page book. Unlock the full series and support this deep research by joining as a premium subscriber today. Not only will you access all of our Founders Fund research, you'll uncover a library of case studies on other venture firms and leading tech companies, managerial playbooks, and a private database of breakout startups.

Previously on "No Rivals"...

As Clarium Capital collapsed between 2008 and 2011, Thiel reinvented himself in the private markets. To supercharge his venture efforts, he funneled the best performers of his Clarium team to Founders Fund, Palantir, and other organizations in his diaspora. This helped give rise to a litter of affiliated firms, or "Thiel Cubs."

Most crucially, Thiel brought Lauren Gross over from Clarium to Founders Fund. As the head of IR and eventual COO, Gross transformed the firm's operations, raising a $625 million Fund IV in 2011 and a $1.1 billion Fund V by 2014.

Simultaneously, Thiel assembled an unorthodox but brilliant investing team: Brian Singerman from Google, Scott Nolan from SpaceX, the enigmatic quantitative genius Napoleon Ta, and Geoff Lewis. This crew powered an extraordinary eight-year hot streak from 2008 to 2016.

The wins were staggering: Credit Karma (252.9x), Stripe ($3.9B stake), Spotify ($239M return), Stemcentrx ($1.1B return), and Nubank ($799M return). But the crown jewel was Airbnb—a $150 million bet that returned $3.75 billion, exemplifying Founders Fund's blend of macro vision, rigorous analysis, and concentration.

Founders Fund seemed to have the magic touch. But would it generate influence beyond its extraordinary financial returns?

Part III: The Gospel

Trinity

Silicon Valley's philosophical trinity is occupied by three major prophets: Peter, Paul, and Marc. Each preaches their own progress gospel, albeit with markedly different twists.

Allow us to work backward. First, there is Marc Andreessen, tech's great ad man. No one in the industry matches the luster of his copywriting. Underestimate this ability at

your peril. Andreessen has crafted the headlines for at least two super-cycles with "Software is eating the world," "It's time to build," and "techno-optimism." While not directly responsible, Andreessen's colleague Katherine Boyle – who interned at Founders Fund at the beginning of her venture career – coined the phrase "American dynamism," which has developed into the defining catchphrase for the style of nationalist, industrial investing currently in vogue. In finding the most incisive language for these concepts, Andreessen has positioned himself and his firm at the epicenter of each movement.

Modern Meditations: Katherine Boyle

MARIO GABRIELE • APRIL 30, 2023

Read full story →

Next comes Paul Graham, the teacher. He too has a gift for distillation, responsible for memes like "founder mode" and "Do things that don't scale," but his narrative skill shows up most impressively when he acts as a guide, translating the complexity of company-building, career progression, or happiness into a legible apparatus. *Pull this, twist that, look there, push this button.*

Finally, there is Peter Thiel, the dark prophet. He speaks about progress, too, but from a place of grievance. The world could be wonderful, Thiel seems to say, if it weren't so utterly shit. That his most famous utterance is "We wanted flying cars, instead we got 140 characters" is fitting. No dream can be expressed without disappointment. Our predecessors betrayed us, and we, the living, must muddle through the morass.

All three exercise remarkable influence over tech's thinking, but Thiel may be most potent. Positions that once appeared arcane, barmy, or pointlessly bleak have started to look prescient (or, at least, have become more prevalent). It is now almost de rigueur within tech circles to gripe about democracy's foibles, outline the need for new nation-state-like structures, extol the virtues of digital currencies, point to the ubiquity of mimetic desire, and champion the importance of American industrialization and militarization. Thiel was early to all.

Meanwhile, adherents of his thinking have ascended to prominent positions across the private and public sectors, including to the vice presidency. We should not expect these individuals to represent Thiel's views precisely, but he has clearly influenced them.

It is a testament to Thiel's primacy that even one of the other prophets has incorporated his talking points into his gospel. Andreessen's "Techno-Optimist Manifesto" had more than a dash of Thielian flair, replete with "lies" and "enemies." It

is not as Thiel would have written it, but in its thrust, it shows considerable proximity to his worldview.

The same goes for "American dynamism." Founders Fund did not coin the phrase, but they embodied it years before it became popular to do so. "They were so clearly American dynamism before a16z," Parker Conrad said. The Rippling CEO is not an admirer of Andreessen's firm after former partner Lars Dalgaard pushed him out at his previous company, Zenefits. "Founders Fund are the one with all the significant investments in that space."

What are the origins of Thiel's gospel? And how have he, and Founders Fund, translated it into such formidable soft power?

It begins, necessarily, with an unusual mind. It is self-evident that Thiel is running a very different set of algorithms than most people. There is raw horsepower, certainly, but this alone does not explain it. Many geniuses make dull conversationalists, particularly beyond their chosen bethel.

No such accusation can be leveled at Thiel, who has a flair for theatrics and seems to delight in provocation. As the keynote speaker at the 2022 Bitcoin Conference, for example, Thiel rabble-roused in front of a rapt audience, throwing $100 bills into the crowd, extolling bitcoin's 100x potential and referring to Warren Buffett as "enemy number one" and "a sociopathic grandpa from Omaha." Never mind that by this point, Founders Fund had liquidated the majority of its own crypto positions.

If Thiel were pure bombast, he would not be nearly so interesting. Beyond rhetorical flair, he has a rare willingness to follow a thought no matter where it leads. This is not true for most people. Most of us are given a safe frame in which we are free to think. We get this from our parents, our surroundings, our schooling, and our society. We are taught to engage with the edges of this frame, which we refer to as debate and which delivers the thrill of transgression, but we are actively discouraged from pushing beyond these boundaries and into the realm of taboo and heresy. Ideas from these territories are not only unsafe to discuss but threatening to think about. Most of us can notice this ourselves: try to think of something aberrant or forbidden and you can feel

your mind recoil, knocking you back to safer terrain like the bumpers in a pinball machine.

In J.M. Coetzee's masterly novel *Disgrace*, the protagonist David, a discredited university professor, considers his adult daughter's romantic life. "He wonders how it is for Lucy with her lovers, how it is for her lovers with her. He has never been afraid to follow a thought down its winding track, and he is not afraid now. Has he fathered a woman of passion? What can she draw on, what not, in the realm of the senses? Are he and she capable of talking about that too? Lucy has not led a protected life. Why should they not be open with each other, why should they draw lines, in times when no one else does?" What would be a fraught, tortured moment for most characters is a frictionless slalom for David.

No one can pretend to truly understand another person's inner landscape. But as much as can be guessed, Thiel gives the impression of a mind without these lines and a person willing to traverse its expanses unafraid.

This is perhaps the foundational reason Thiel thinks differently, but there are simpler explanations, too. Like Charlie Munger before him, Thiel follows the maxim of German mathematician Carl Gustav Jacob Jacobi, who said: "Invert, always invert."

Thiel does this so reliably that it seems reflexive. Whatever the topic at hand, he instinctively flips it, just to see it from the other side. It's in these moments that you see the hedge fund investor again, moving in the opposite direction of a market stampede. "He's a true contrarian," John Collison remarked. "He just takes the thing that everyone else believes to be true and inverts it. 'What would it mean if it were not true?' He chases that through to its conclusion, even if it takes you to some odd places along the way."

The Book of Thiel

COMMANDMENT VII

Invert, Always Invert

Flip conventional wisdom on its head and look at it from the other side. You often find greater merit in going against the consensus.

From a purely pragmatic perspective, this can be a strategic way to build wealth. If you're sharp enough to pick bets with big enough payoffs, it doesn't matter if you err. The rare moments in which you're right will more than make up for it.

From a rhetorical perspective, it's arguably even more expedient. The narrative magnitude that comes from being contrarian and right tends to vastly outweigh a catalog of times you were contrarian and wrong. We remember Michael Burry for his "big short" in 2008, rather than the many other potential catastrophes he called incorrectly. As Thiel understands, if you consistently position yourself to the far-right of the bell curve, you make variance your friend.

The Book of Thiel

COMMANDMENT VIII

Make Variance Your Friend

Position yourself at the right tail
of the Bell Curve.
It is acceptable to be wrong regularly
if you can be right spectacularly.

With this blend of raw intelligence, mental freedom, and reflexive contrarianism, Thiel freewheels across the intellectual landscape. Why shouldn't floating "seasteads" replace our moribund nation-states? Why wouldn't bitcoin replace gold? Who says death is an inevitability when we've devoted so little capital to solving it? What if monopolies are good? Has anyone stopped to consider the *benefits* of letting a horse loose in a hospital? (Has your mind beaten a hasty retreat yet?)

The firm's crypto investing is an illustration of how this manifests in investment decisions. Thiel saw the opportunity for true digital currencies extraordinarily early via his work at PayPal. That led Founders Fund to become one of the first venture capital firms to invest in crypto, buying bitcoin in 2014 at a price of $275 and Ethereum in 2016 at $77. (It passed on Coinbase; according to Brian Singerman: "We made the decision to invest early in bitcoin instead of Coinbase, when the answer would have been to do both.")

It sold its positions in March 2022, avoiding the Terra and FTX blowups and subsequent market crash and generating $1.8 billion in profits. Capital flowed out of crypto, and prices plummeted. Once a new crypto winter had firmly taken hold, Founders Fund started considering buying in. By this time, the firm had recruited crypto specialist and former Pantera Chief Investment Officer Joey Krug. He, Thiel, and Napoleon Ta reasoned through going long on bitcoin.

Krug described how the trio weighed the social factors at play. “We asked ourselves, ‘What do the other players in the market have the ability to do or not do? Are they able to buy right now? Will their fund let them?’” Naturally, the trio considered the potential return profile up for grabs too. “If you think about Founders Fund’s investing on the growth side, which is what I consider Bitcoin and Ethereum to be, the main question marks are: Can you get to a solid 3 to 4x return without there being a huge amount of downside? You can always get a 3 to 4x return in crypto, but you have to buy when the downside is bounded.”

Starting in late summer 2023, Founders Fund “pulled the trigger,” investing $200 million in crypto, with its initial bitcoin buys coming in at $30,000. Within a year, bitcoin had more than doubled, before pushing to an all-time high of nearly $112,000. It is now bouncing around above $100,000. Though Founders Fund has not divulged whether it’s sold its positions yet, documentation shows it has invested a total of $294

million in bitcoin, which it holds at a value $1.58 billion. The $202 million it's invested in Ethereum has done markedly less well, held at $213 million.

Thiel's high openness not only draws him toward off-piste ideas, it attracts unusual, contrarian founders. "Peter is associated with all sorts of weird stuff," Collison said, reeling off Thiel's interest in seasteading, connection with the Enhanced Games — an Olympic Games–style contest in which steroids are encouraged — and association with gerontologists like Aubrey de Gray "and his long, shaggy beard." By positioning himself as the "canonical weird rich dude," he becomes "the lamp that the weirdo founder moths are drawn to." "If you're a founder who thinks, 'Oh, I'm working on this thing and it's slightly weird, who will understand this?' You seek out Peter and Founders Fund."

Of course, Founders Fund makes plenty of "normie" investments, too. "They've made a lot of awfully successful '140 character'-type investments" Collison remarked, referring to Thiel's quip. Look at Founders Fund's portfolio and you will find plenty of examples. For every SpaceX, there is a Stripe, and for every Anduril, an Airbnb. Impressively, Thiel's lamplight has made it the de facto destination for tech's weirdos without boxing it out of more mainstream categories.

Cold email, hot coffee

Thiel and Founders Fund's soft power would not be nearly so strong had it been less artfully broadcasted. Beyond Thiel himself, no one has been more critical to this effort than Chief Marketing Officer Mike Solana.

Solana was raised in Toms River, New Jersey, the son of a special ed teacher and a drywall specialist. A passion for stories — in the form of comic books, novels, and *Star Trek: The Next Generation* — led him to an internship at Farrar, Straus and Giroux and then to an editorial role at Penguin Books in 2008. As any good twenty-something with literary sensibilities (ahem) does, Solana wrote manuscripts of his own, eager to produce "serious fiction." "I was way too inspired by Jack Kerouac," he recounted. "I toiled for a while, wrote a book that no one read, and didn't get published."

Agents' rejections stung, but they led Solana to an important realization. "I had to sit with it for a minute and ask myself why it didn't work out. I realized it was because I was writing shit I didn't like. I didn't want to read it." What *did* Solana want to read? He examined his media consumption and discovered that what he really liked was science fiction and political philosophy, much more so than literary fiction. "It was a lesson I would sort of understand years later."

It would take some time for those interests to flourish fully. Still, they colored Solana's activities at Penguin. In particular, he had become obsessed with the libertarian movement, of which he was a card-carrying member. "I considered myself an anarcho-libertarian at the time," he said. "I was a hardcore libertarian, a level-nine all-the-way libertarian." Propelled by the growing popularity of Ron Paul, Solana anticipated a "huge libertarian youth movement" and wanted to find a book that reflected its rise.

That interest led him to become a frequent reader of *Reason*, a libertarian magazine founded in 1968. In particular, Solana frequented its blogs, reaching out to the authors of pieces he'd enjoyed. To his delight, many wrote back. "That was exhilarating to me," he said. "The idea that I could interact with the culture I was absorbing online. That was a very new thing at the time. A lot of new people were coming online, and suddenly I just felt closer to everybody that existed."

Perusing *Reason* one day in 2009, he came across a link to an essay called "The Education of a Libertarian" by someone named Peter Thiel. It was part of a series published by Cato Unbound called "From Scratch," which aimed to explore how truly libertarian institutions might be built from first principles. The effort was spearheaded by Patri Friedman, the executive director of the Seasteading Institute and grandson of the celebrated economist Milton Friedman.

As the title suggests, Thiel's essay is a chronicle of his political upbringing, tracing his rabble-rousing as editor of *The Stanford Review*, disillusionment as a young careerist in law and finance, and contemporary pessimism in libertarianism's mainstream potential.

Rather than attempt to reform a derelict system hostile to the movement's views, Thiel advocates for a radical and literal departure: "The critical question then becomes one of means, of how to escape not via politics but beyond it." He enumerates three plausible promising new terrains: cyberspace, outer space, and seasteads. In so many words, Thiel was advocating for believers to form digitally-native network states (long before technologists like Balaji Srinivasan popularized the concept), build viable habitats among the stars, and construct floating cities, free of incumbent controls. (Two years later, Thiel would commence his Kiwi incursion, seeing New Zealand as an escape from calcified power structures and an environment more receptive to molding.)

For Solana, Thiel's blend of bracing political commentary and sci-fi futurism felt fresh, and thrilling. "I had just loved his ideas. I loved everything he had to say in that piece. I'd never read anyone like him."

The sheer inventiveness of seasteading struck a particular chord. "It was going to be a decentralized, anarchist network of floating countries," he explained of Thiel and the Seasteading Institute's goals. "There's no law out there, so you can build a million different kinds of societies with a million different kinds of laws, and then the free market would determine which was best. You'd have an experiment for the best form of government. It was just fucking cool."

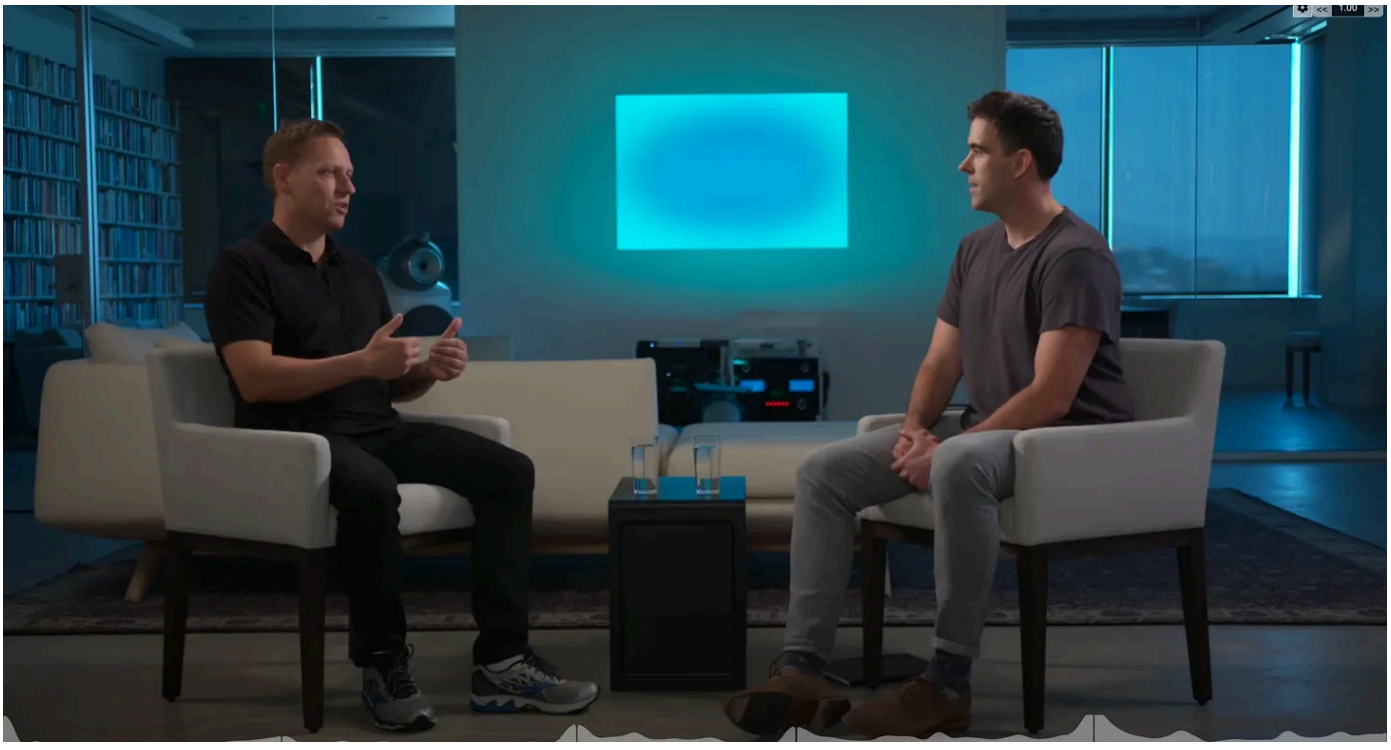
Solana fired off an email to the Seasteading Institute first, offering to write for them for free and improve their website. They responded nearly immediately. "They were like, 'Yes you can write for us for free, and also we would like you to do meetups for us for free.'" It was an offer Solana took up willingly, happy to have a small budget to plan get-togethers for other New York anarchists.

Then he wrote Thiel. "I just thanked him for writing a cool essay. There was no request there. Just 'Hey man, this was really cool, you're really cool, and thanks for doing what you do.'"

Solana didn't hear from Thiel for a few days, in which time he'd better acquainted himself with his curriculum vitae. Startups, technology, investing — all were unfamiliar topics to the young editor. "It sounds so silly now because it's been my life for so long, but at the time, it was a really new idea to me that there were people whose entire job was to invest in transformative technologies that were going to change the world."

When Thiel's response came, it showed unusual graciousness. "He didn't just respond," Solana said. "He asked a few follow-up questions." He wanted to know how Solana thought about some of the ideas he'd raised. A brief correspondence began before tapering out.

Critically, during that period, Thiel and Solana became Facebook friends. And so when Solana shared the details of his first seasteading meetup with his network, Thiel received a notification. Since he was in New York at the time, he decided to show up, much to Solana's surprise. Amid the swirl of anarchists, the two men had a chance to talk face-to-face, a conversation that left a lasting impression on Solana. "We talked all night, or what felt like all night to me," he recalled.



Peter Thiel and Mike Solana (Founders Fund)

More than anyone else, it's in Solana's descriptions that outsiders can get a glimpse of how Thiel's unorthodox charisma functions, the spell his intellect casts. "It was the first time I'd ever had a conversation like that before. He's such an exhilarating, exciting person to talk to. Every one of my neurons was exploding, and it was hard because he's really smart and really challenging and he's asking you really probing questions and you can't fuck around in a conversation with Peter. You have to come correct."

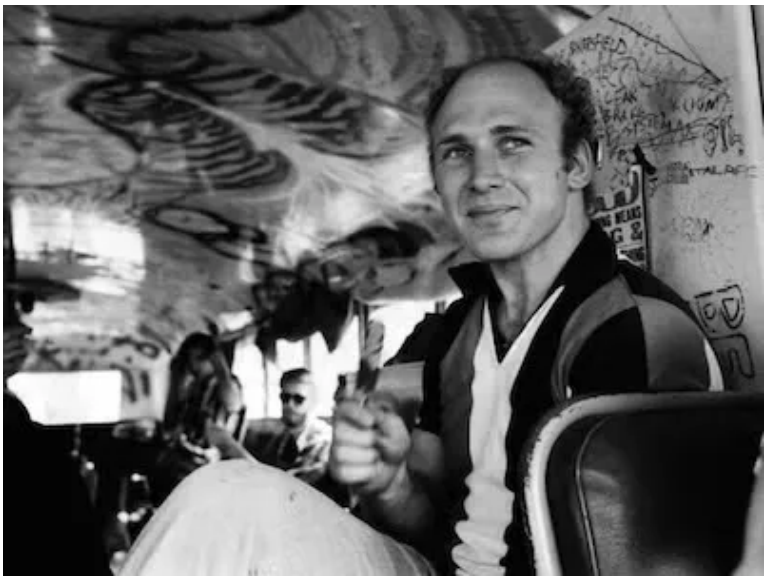
What does that mean? "Everything you think and say is challenged with follow-up questions. 'Why do you think this? What about this or that?'" As well as feeling tested by Thiel in that conversation and those that followed, Solana discovered a sense of freedom that would influence much of his later work. "My whole life, I felt like I was censoring myself," Solana said. "He didn't care about anything else *other* than the stuff I was censoring. It was a big part of the allure of him to me and why I became, quite honestly, obsessed with him when I first met him. I thought he was the greatest person I'd ever met."

At that initial seasteading meetup, Solana learned that Thiel was working on a book but had little idea of how to navigate the publishing landscape. "I said to him, 'Well, that's great, because I know everything about publishing books. We should get coffee and I'll tell you everything.'"

Over the next few months, Solana and Thiel met several times for coffee with the aim of discussing his work. They never really got around to it. "He never seemed to care about talking about books," Solana said. "I kept trying to bring it back to publishing, and he would just ask other questions — about the world, politics, Mars shit that I was interested in. It became a very strange, interesting friendship in my life where I would meet this guy every few months for coffee, and after a few of those went by, he just asked me to work for him."

It would take another year for Solana to formally get to work. But by 2011, he was up and running and tasked with three initial projects.

The first was a bus tour, inspired by Ken Kesey and his Merry Pranksters. Rather than travel from West to East as Kesey and his LSD-administering cadre did, Thiel's bus would go from East to West, from past to future. "The rough idea was that they'd gone in the wrong direction," Solana said. "We should have been going towards the frontier." It didn't happen in the end, with Founders Fund prioritizing other initiatives. It may yet spring to life someday. "Every now and then, it comes back up. We'll see," Solana said.



Ken Kesey on his Magic Trip (UCLA Film & Television Archive)

The second idea was more practical — a summit for Founders Fund's portfolio CEOs. Solana delivered and turned it into a mainstay called "Symposium." Per Solana, it gathers "really interesting people together in a remote place to have a conversation about the future."

Finally, Thiel was slated to teach another class at Stanford in the spring of 2012. Rather than continuing his lecture on "Sovereignty, Technology, and Globalization" that Scott Nolan had audited at the law school, Thiel planned to teach computer science students about startups. The university's dry naming system cataloged it as CS-183. But what began as a lecture to a small audience would provide the basis for one of the startup world's most influential texts.

He who controls the narrative

Peter Thiel's Twitter account is a curiosity. More than 412,000 people follow him despite the fact that he follows no one, has tweeted just once, and will likely never do so again.

So, what was it that Thiel tweeted? What event officially triggered his activation threshold and sent his thumbs tapping? On September 8, 2014, at 10:15 p.m., Thiel tweeted an Amazon link to the book he had just published, alongside its name, written in lowercase: "zero to one."

It was a fittingly brief tweet for such a slim manual, numbering a little more than 200 pages. In that compressed space, however, Thiel delivered what is simultaneously the best startup book of all time, an elite business tome, and a credible piece of philosophy.

It arose directly from CS-183, which, in turn, had arisen from Solana's work as Thiel's amanuensis. He was assisted by another new Founders Fund hire, Scott Nolan. "We were basically like TAs, but more. We kind of created the class with him," Solana said.

“My job was to mine his brain for content, to take basically everything he knew about studying companies and distill it into chapters.”

A third person would play a key role in CS-183’s subsequent success: Blake Masters. Masters had met Thiel at Stanford Law School and, like Solana, enjoyed an email correspondence with him. When Thiel invited him to attend the new class he was teaching the following spring, Masters not only accepted but wrote copious notes, which he then published on his Tumblr.

Despite or perhaps because of Thiel’s blend of esoterica and razor-sharp observations, Masters’s notes took on a life of their own, circulating across Silicon Valley. That led Masters to propose turning Thiel’s lectures into a book, published two and a half years later.

Zero to One: Notes on Startups, or How to Build the Future has become such a part of Silicon Valley’s cultural lexicon that even those who have not read it have undoubtedly encountered its provocative ideas. Though it should be read in its entirety, some of Thiel’s most durable ideas include:

- **Competition is for losers.** In perfectly competitive markets, no company will make economic profits in the long run. The goal of a company is not to outcompete its rivals but to escape competition altogether.
- **Monopolies are productive.** If we lived in a static world, monopolies would be exploitative. However, since the world is constantly changing, creative monopolies are encouraged to keep building new products, using their profits to do so. This creates benefits on the inside and outside of the business.
- **Move last, not first.** It’s more valuable to be the last mover in a category than the first. The last mover is the business that builds the durable advantages that allow it to build a monopoly in the space.
- **Startups are cults.** The best startup cultures are fanatical, dogmatic, and homogenous. This is a feature, not a bug. Good companies minimize internal conflicts and create environments in which “strange” ideas can flourish.

- **No product sells itself.** Silicon Valley nerds may believe that a sufficiently good product will naturally win over customers. This is a fallacy. Distribution is an essential part of your business and must be treated as such.

The brilliance of Thiel's book is that you can pick almost any paragraph at random and discover an interesting, original thought — devoid of the fluff and clutter of most works in the category.

Though Thiel had dazzled small audiences with his intelligence for years, *Zero to One* brought his style of thinking to the wider market, and served to differentiate him and his firm from the rest of Silicon Valley. It did not take long to begin paying dividends.

Ryan Petersen discovered Thiel's book in 2014, not long after his freight forwarding startup Flexport had gone through Y Combinator's accelerator program. He found it immediately compelling, and a useful lens through which to view his business. One aspect gnawed at him, though. In *Zero to One*, Thiel outlined "seven questions every business must answer":

1. **The Engineering Question.** Can you create breakthrough technology instead of incremental improvements?
2. **The Timing Question.** Is now the right time to start your particular business?
3. **The Monopoly Question.** Are you starting with a big share of a small market?
4. **The People Question.** Do you have the right team?
5. **The Distribution Question.** Do you have a way to not just create but deliver your product?
6. **The Durability Question.** Will your market position be defensible 10 and 20 years into the future?
7. **The Secret Question.** Have you identified a unique opportunity that others don't see?

Flexport knocked it out of the park on six of those seven, Petersen thought. But one of them bothered him: was their market *small* enough? "On that one, I was like, 'Well,

global logistics is like 11% of GDP.'" Keen to think it through, Petersen asked then-YC president Sam Altman for an introduction to Thiel.

At Founders Fund's office, the Flexport CEO asked for advice. "My question for him was 'Should I be slicing this thing down to be, say, the best freight forwarding provider for hardware startups?' Or is that fictional, like being the best British restaurant in Palo Alto?" Petersen recounted, referring to an example from Thiel's book.

The investor laughed. *Don't be so dogmatic*, he told Petersen. *It's OK to have a big market.*

A few weeks later, Founders Fund presented Petersen with a preemptive Series A term sheet. "It was the classic thing, 'Ask for advice and get money, ask for money and get advice.'"

Over the years, Thiel would provide Petersen plenty of useful guidance, too. "He pushed us hard to diversify off the China-to-U.S. trade for a long time," Petersen cited as an example. "He thinks overdependence on that trade lane is not good for our company. We've diversified quite a bit — I wouldn't necessarily say entirely because of Peter, but he pushed me personally pretty hard on that, saying, 'Hey, you need to build more of a network.'" Given 2025's tariff upheavals and the escalating tensions between the two nations, Thiel's advice looks typically prophetic.

Petersen developed a particularly close relationship with Founders Fund over the following 11 years. When he stepped down as Flexport's CEO in 2022, he joined Thiel's firm as a partner. It was a short stint, with Petersen retaking control of his company the next year over concerns with his successor's management. Nevertheless, it has given Petersen a unique perspective on Founders Fund, having experienced its approach as both a founder and team member.

Flexport: How to Move the World

MARIO GABRIELE • APRIL 24, 2022

Read full story →

In particular, he offered a nuanced perspective on what it means for the firm to be on the side of founders, especially given how wholeheartedly the rest of venture has

adopted this stance. “They’re incredibly good at supporting founders without meddling,” he said.

“They’re not trying to be the most helpful people in the world, but the best founders don’t want your help. That’s why we started companies — because we’re not looking for a boss. Founders Fund is very clear that they’ll never replace a founder and they’ll never vote against the founder.”

That’s not to say that the firm champions its entrepreneurs equally or unthinkingly. “They might write you off if you’re failing. And they don’t necessarily always invest in the next round. They don’t have a reserve allocation for every company they invest in.”

Thiel is particularly dismissive of venture capital’s approach to pro rata investing. Often, firms simply default into exercising their pro rata rights, rather than underwriting the investment from scratch. For Thiel, that’s simply lazy thinking. “It’s very unusual that we should feel exactly the same way about a company,” Lauren Gross said. “It’s much more likely that we should be much more excited or much less excited. He’s constantly pushing the team to say, ‘This is where we should be doubling or tripling down’ or ‘This is where we should be saying no.’”

The Book of Thiel

COMMANDMENT IX

Pro Rata is Lazy Thinking

You should rarely feel exactly the same about a portfolio company. Rather, you should either be much more or much less excited. Avoid a default decision, and push yourself to lean in or out.

Founders Fund's belief in Flexport has clearly grown over time. It backed the company in every round since the 2014 Series A, and led three of them. Despite Flexport's reputation as a hot company, Thiel's firm was often the only shop to offer Petersen a term sheet. "In at least two of the cases [in which they led], and maybe in all three, there was no one else, or the other best alternative wasn't very good," he said. "They've always had their independent view of Flexport."

The Fellowship

In the opening episode of HBO comedy *Silicon Valley*, programmer and would-be founder Richard Hendricks is looking for investment. A friend tells him about a TED Talk being delivered that evening by a man named "Peter Gregory," an eccentric billionaire offering $100,000 to anyone who drops out of college to build something of their own.

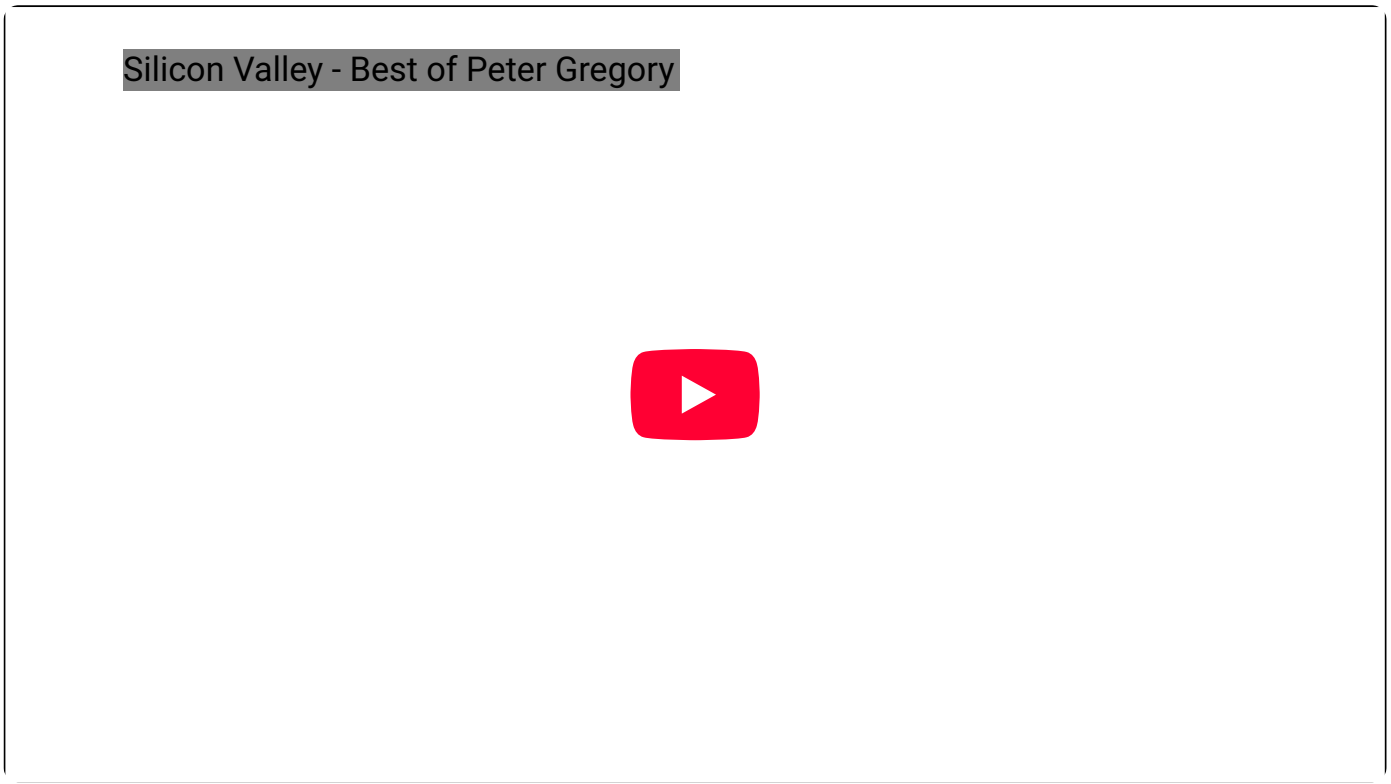
At the event, Gregory gives his pitch:

“Gates. Ellison. Jobs. Dell. All dropped out of college. Silicon Valley is the cradle of innovation because of *dropouts*. College has become a cruel, expensive joke on the poor and the middle class.”

“You are a dangerous man, spewing ignorance!” an audience member shouts. “The true value of a college education is intangible!”

“The true value of snake oil is intangible,” Gregory replies drily.

(After the talk, Hendricks gets Gregory to consent to hearing his pitch by threatening to go back to college. “Do *not* do that. Go … work at Burger King,” he stutters desperately. “Go into the woods to forage for nuts and berries.”)



Does the word “satire” apply when a subject is replicated quite so faithfully? In 2011, the year before he taught CS-183, Peter Thiel launched his fellowship, offering the terms that *Silicon Valley* would later lampoon.

Alongside *Zero to One*, the Thiel Fellowship would become the investor’s second-most-critical source of narrative power. It is indicative of Thiel’s paradoxical nature that one

arose from an elite institution that the other sought to undermine.

According to Jim O'Neill, the former Clarium Capital MD who later alleged being forced out of Mithril Capital, the fellowship originated from a philosophical discussion that took place on a flight in 2010.

By that point, Thiel had already written about what he saw as civilization's multi-decade stagnation. With the exception of the tech sector, almost no meaningful progress had been made in his view. Why was that the case? On the flight from New York City to San Francisco, Thiel, O'Neill, Luke Nosek, and Jonathan Cain — then the president of the Thiel Foundation — debated the matter.

"We decided that the hidden factor was talent," O'Neill wrote in an essay reflecting on the fellowship. "In the 1950s and 1960s, the smartest young people flocked to the frontiers of discovery. In the 1970s, though, they became doctors; in the 1980s they became lawyers; and in the 1990s they went to Wall Street. These were well-defined careers with brightly lit gates welcoming crowds down paths that were easy to follow.

"What happened to the American archetype of quitting your job to invent something in your garage? Debt happened, we decided."

By the time they landed, they'd sketched out their solution: rescue talented people from credentialism and debt by de-risking entrepreneurship. They looped in Michael Patrick Gibson and Danielle Strachman to run the program, two seasteading supporters they'd recently met.

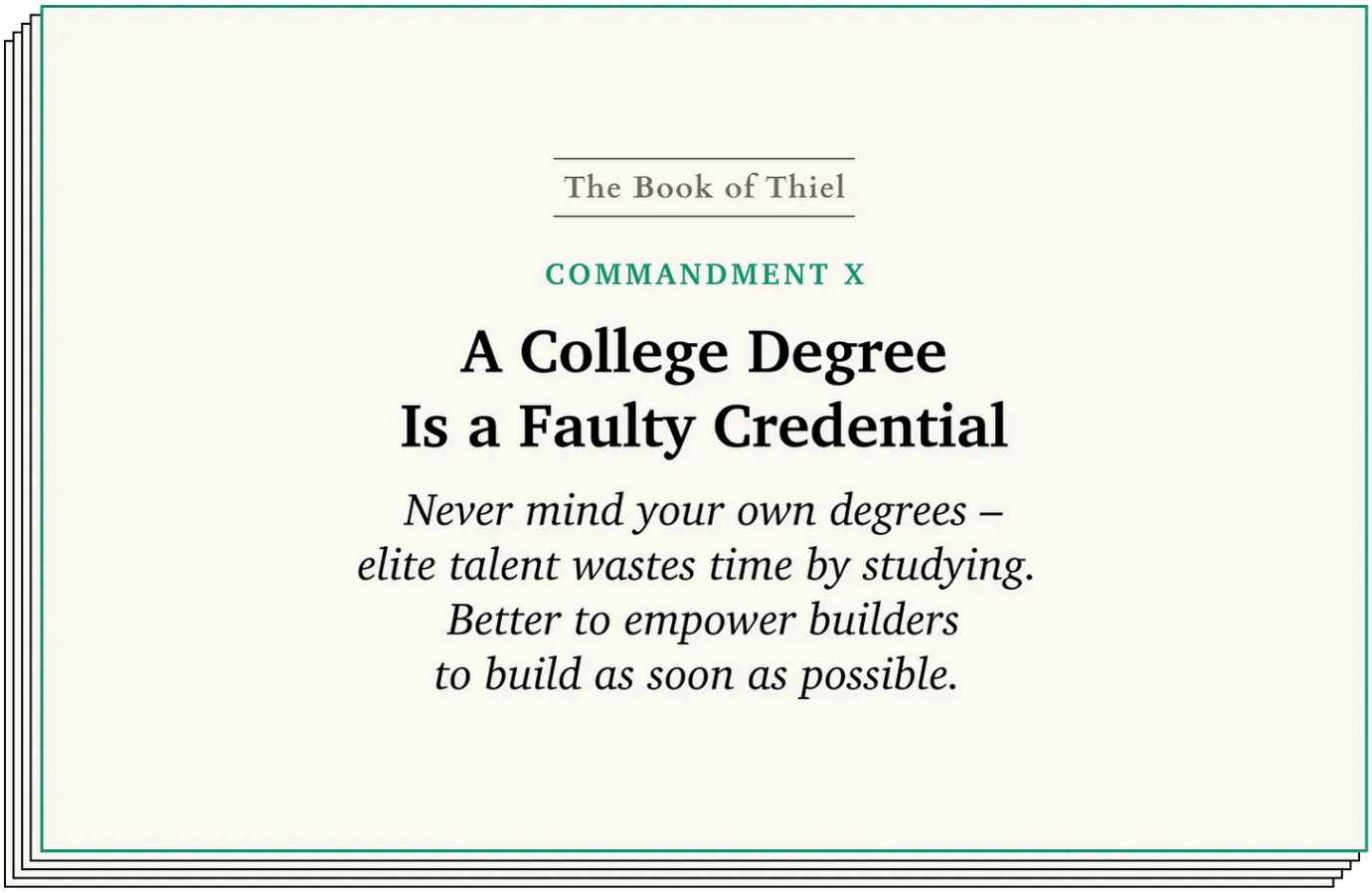
It was to the fellowship's benefit that it sparked frequent debate, with luminaries like Larry Summers, the former Harvard president, referring to it as "the single most misdirected bit of philanthropy" of the decade. Rather than persuading talented teenagers to persevere with their undergraduate studies, such statements elevated the fellowship's profile and helped gifted teenagers discover it.

In its first two classes, it awarded fellowships to Dylan Field, the future founder of design platform Figma, and Laura Deming, founder of the Longevity Fund and, more

recently, Cradle, a startup dedicated to producing “whole-body reversible cryopreservation.” Vitalik Buterin (Ethereum), Lucy Guo (Scale AI), Austin Russell (Luminar), Paul Gu (Upstart), Ritesh Agarwal (OYO Rooms), and Joshua Browder (DoNotPay) all become Thiel Fellows in the following years.

Though the fellowship initially focused on uncovering preeminent entrepreneurs, as it matured it also began targeting young, high-profile builders, encouraging them to apply. While this represented a degree of mission creep — the fellowship was not “diverting” these people away from college; they had already left — it bolstered its

reputation as a new kind of credential. In the startup world, it is now more prestigious than a degree from an Ivy League institution.


The Book of Thiel
COMMANDMENT X
A College Degree
Is a Faulty Credential
Never mind your own degrees –
elite talent wastes time by studying.
Better to empower builders
to build as soon as possible.

Nevertheless, accelerating the careers of nearly 300 talented, driven individuals has been a considerable net benefit to the tech sector. It is now, once again, considered high-status to skip college and get straight to building. That may not be the right choice for many, but it undoubtedly is for a cadre of builders.

The reputational benefits of this shift redounded to Peter Thiel and Founders Fund, even if the latter did not press its advantage too aggressively. Across its history, Thiel's firm invested in just a handful of alumni, and often not particularly early, backing Figma at the Series C, for example.

Rather than a failing, this was shrewd. By not being reduced to a source of deal flow, the fellowship developed power of its own and earned the right to be considered as a college alternative, rather than a VC's marketing gimmick. It undoubtedly enhanced

Founders Fund's brand and alerted it to talented entrepreneurs early, but it did so obliquely, as a good soft power initiative should.

Soft Power in Tech

MARIO GABRIELE • DECEMBER 7, 2023

Read full story →

Arguably the most direct benefit that Founders Fund derived from the Thiel Fellowship came in the forms of Delian Asparouhov and Joey Krug. Both were early recipients of the fellowship who, years later, became partners at Founders Fund.

Asparouhov, who arrived in 2019 alongside mentor Keith Rabois, has been especially influential. Just six years into his stint, he is responsible for sourcing one of its best-performing recent investments, in Ramp, and is the co-founder of Varda, a promising space manufacturing startup that Founders Fund has backed.

Krug is a more recent addition, joining in 2023. He appears to have brought a new level of insight and rigor to Founders Fund's crypto bets, driving investments in breakout Polymarket, the dominant prediction markets platform, and Igloo, parent company of the Pudgy Penguin NFT.

Both Asparouhov and Krug look like important parts of Founders Fund's future; they might not have landed in their current seats had the Thiel Fellowship not backed them first.

Noisy boys

To assume that Founders Fund's soft-power efforts remain fixed in the early 2010s, when *Zero to One* was published and the Thiel Fellowship was founded, would be a mistake. These remain two critical building blocks, but they have been added to in recent years, with Mike Solana once again playing a fundamental role.

Founders Fund's later efforts have been animated by the desire to embody what it considers to be one of its core traits: courage.

“Courage is something that’s always been a big part of Founders Fund, because that’s what Peter values and he determines the culture of the place,” Solana said. “I wanted to put a way bigger spotlight on that by sharing our opinions publicly and being like, ‘We’re not afraid of what you’re supposed to say; we’re going to say what’s right.’”

Hereticon, founded in 2022, was one manifestation of this philosophy. Solana created the “conference for thought crime” to encourage free discussion of ideas deemed controversial. “It was designed as a complete celebration of heretical thinking. Like, ‘We will stand for your right to stand for whatever fucking crazy idea that you have.’” Over the years, Hereticon has hosted discussions about the importance of IQ, the Islamization of Europe, eugenics, the case for increasing our use of fossil fuels, and how to pay for sex. Light entertainment has included cabaret dancers and DJ sets by Grimes.

It’s worth taking a moment to reflect on just how bizarre it is to have a blue-chip investment manager host such an event, as if Warburg Pincus began holding its annual meeting at Berghain or KKR’s Investor Day culminated in a dominatrix defecating onstage. The fact that it is entirely unshocking for Founders Fund is proof of the unique position it holds in the landscape.

A Hereticon poster (Hereticon)

The year after Hereticon's debut, Solana added to his work as CMO by founding *Pirate Wires*, an independent media company "at the intersection of technology, politics, and culture." It is perhaps the primary reason *The Atlantic* dubbed Solana "The Most Opinionated Man in America," as part of a 2024 profile. With the feel of *Vice*'s early online days, *Pirate Wires* serves as an avenue for Solana and his team to explore the kinds of ideas Hereticon hosts and to champion companies from the Founders Fund diaspora.

It is wrapped in a bruising, bombastic style that has become something of a trademark. "My style is to conceive of the world in pretty melodramatic ways," Solana explained. "The comic books and science fiction have never really left [me]. The adventure, the heroes and villains, the interesting characters — that's how I cover the world."

Tonally, it's a good fit for Founders Fund and for the age of social media. The firm's outsized presence on X (formerly Twitter) is perhaps the final critical aspect of its soft power.

In Mike Solana and Delian Asparouhov, the firm has two of the industry's most reliable flamethrowers: venture capital's noisy boys. Indefatigably, this duo finds *something* to be extremely angry about or lands on a controversial opinion to amplify. Often, they do so with the angst of a teenager caught defacing the toilet walls, or flipping off a math teacher while their back is turned. There is some irony that Founders Fund is home to one of the asset class's quietest practitioners in Napoleon Ta, and two of its loudest.

These grenades are directed toward some aspect of the tech industry or its practitioners. A good case in point was Asparouhov's April attack on Benchmark for investing in the Chinese AI company Manus:

delian
@zebulgar
Wow Benchmark now has two things in common with the CCP
1 - They both like to fire founders (Jack Ma/ Travis K)
2 - They both like to fund the demise of the West by enabling CCP AI
The legacy of Bill Gurley lives on!
Bloomberg @business · Apr 25
The Chinese startup behind Manus AI secured a round of financing led by US venture firm Benchmark to explore the use of AI agents to replace everyday tasks bloomberg.com/news/articles/...
3:29 PM · Apr 25, 2025 · 216.9K Views

The criticisms continued, 280 characters at a time, over the following days.

Not infrequently, Asparouhov and Solana direct their disagreements toward each other. This is not a sign of bubbling enmity but the consequence of employing people with boisterous opinions, little filter, and, perhaps, an impish love of discord. "I can probably point to like 15 times Solana and I have disagreed with each other in public

and gone back and forth on an idea," Asparouhov said. "It's no different than the back-and-forth we have internally at the firm as well." (In his milder moments, Asparouhov delivers some lovely posts about the joys of fatherhood.)

Whatever one thinks of their style, there is something creditable in the conviction and pluck of the noisy boys' fulminations. It takes a particular disposition and a strong stomach to weather the vagaries of opinion a dozen times a day.

Importantly, the noisy boys do contribute to Founders Fund's soft power. Most prosaically, they are creating content designed for the network. No social platform optimizes for nuance or rigor, meaning that if you wish to play the game at a high level, you have only a few costumes from which to choose: the fortune cookie, threadmeister, shitposter, or hot-take merchant.

Most venture capitalists choose none of these options and end up with a small, unengaged following. (This is not a crime and is, perhaps, a sign of sanity.) But by playing the game, and doing it well, the pair succeed in growing Founders Fund's footprint and extending its narrative.

More interesting is the manner in which Solana and Asparouhov's social presences help Founders Fund counterposition against traditional firms. By calling out Benchmark, for example, Asparouhov is able to explicitly pose a contrast with Founders Fund. In so many words, the message of this kind of post is that unaligned investors are mercenaries, seeking returns wherever they can get them and firing entrepreneurs when they get in the way. Whereas Founders Fund is missionary, investing as a way to build the best possible future by backing outliers to the hilt. Each incident like this is a chance to say: *We might be VCs, but we're not* that.

While Solana and Asparouhov's opinions appear sincerely held rather than pragmatic confections, they have the added benefit of appealing to a certain type of founder — namely, those concerned by modernity's failings, bored by milquetoast financiers, and fueled with nationalistic ambition.

Asparouhov provided a tangible example of how his soft power translates into deal flow. “Chris Power from Hadrian reached out to me on Twitter because of the things I was tweeting,” he said. “He is a pro-capitalist innovator. It was a great investment for us to lead at the seed. Obviously, it’s got a long way to go, but I think it’s a really phenomenal company to be involved with.”

Does such outspokenness turn off some people? Certainly, but not those who Founders Fund is likely to seek out. “My Twitter filters away uncourageous communists,” Asparouhov said. “And it turns out uncourageous communists don’t typically generate returns.”

Stay tuned for Part 4 of “No Rivals,” arriving next Tuesday, July 1st.

114 Likes · 15 Restacks

← Previous

Next →

Discussion about this post

Comments Restacks

Write a comment...

Packy McCormick Not Boring by Packy McCormick 8d

Liked by Mario Gabriele

excellent work!

LIKE (4) REPLY SHAR

1 reply by Mario Gabriele

Noam Tenne 7d

Liked by Mario Gabriele

So engaging. Can't wait for the next episode 🤞🏻

LIKE (1) REPLY SHAR

1 reply by Mario Gabriele

6 more comments...

© 2025 The Generalist LLC · Privacy · Terms · Collection notice
Substack is the home for great culture